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FLORENCE P. BELSER
GENERAL COUNSEL

June 8, 2007

VIA EFILING AND HAND DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Petition of the Office of Regulatory Staff Requesting a Rule to Show Cause to Quail Pointe Apartments, 460 E. Blackstock Road, Spartanburg, South Carolina 29301 as to Why Quail Pointe Apartments Should Not Be Regulated as a Public Utility
PSC Docket No.: 2007-_____

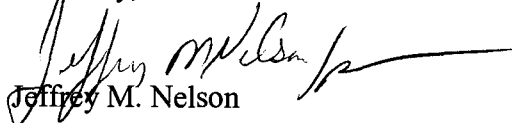
Dear Mr. Terreni:

Enclosed for filing please find the original and one (1) copy of the Petition of the Office of Regulatory Staff For A Rule To Show Cause. Please date stamp the one extra copy for our office and return it in the enclosed self-addressed envelope provided.

Please note that the attached documents are exact duplicates, with the exception of the form of the signature, of the e-filed copy submitted to the Commission in accordance with its electronic filing instructions.

Thank you for your assistance and please let me know if you have any questions.

Sincerely,


Jeffrey M. Nelson

JMN/pjm
Enclosure

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2007-_____

IN RE: Petition of the Office of Regulatory Staff)	Petition for a
Requesting a Rule to Show Cause to Quail)	Rule to Show Cause
Pointe Apartments, 460 E. Blackstock Road,))	
Spartanburg, South Carolina 29301 as to)	
Why Quail Pointe Apartments Should Not)	
Be Regulated as a Public Utility)	
_____)	

COMES NOW the Office of Regulatory Staff (“ORS”) and respectfully submits this Petition for a Rule to Show Cause. ORS requests that the Public Service Commission of South Carolina (“Commission”) issue a Rule to Show Cause to Quail Pointe Apartments located at 460 E. Blackstock Road, Spartanburg, South Carolina 29301 requiring Quail Pointe Apartments to respond to this Petition and to appear before the Commission and show cause why Quail Pointe Apartments should not be regulated as a public utility under the jurisdiction of the Commission and ORS. In support of this Petition, ORS would respectfully show and request of this honorable Commission as follows:

1. That the Commission is a state agency constituted pursuant to the laws of the State of South Carolina with its business offices located in Columbia, South Carolina and that pursuant to S.C. Code Ann. § 58-3-140(A) (Supp. 2006), “the [C]ommission is vested with power and jurisdiction to supervise and regulate the rates and service of every public utility in this State and to fix just and reasonable standards, classifications,

regulations, practices, and measurements of service to be furnished, imposed, or observed, and followed by every public utility in this State.

2. That the ORS is charged with the duty and responsibility of representing the “public interest of South Carolina before the Commission” under S.C. Code Ann. § 58-4-10(B) (Supp. 2006). The ORS is also charged with the duty and responsibility to “review, investigate, and make appropriate recommendations to the [C]ommission with respect to the rates charged or proposed to be charged by any public utility” under S.C. Code Ann. § 58-4-50(A)(1) (Supp. 2006) and to make inspections, audits, and examinations of public utilities regarding matters within the jurisdiction of the [C]ommission under S.C. Code Ann. § 58-4-50(A)(2) (Supp. 2006) and to “investigate complaints affecting the public interest generally ... and where appropriate, make recommendations to the [C]ommission with respect to these complaints” under S.C. Code Ann. § 58-4-50(A)(5) (Supp. 2006).

3. That in January 2007, ORS received an inquiry from residents of Quail Pointe Apartments located at 460 E. Blackstock Road, Spartanburg, South Carolina 29301 and that such inquiry related to charges and billing for natural gas service by Quail Pointe Apartments.

4. That according to information received from residents, Quail Pointe Apartments renders monthly bills for gas service. The bills contain information of meter readings, usage, and an amount due. Further, the bills are separate and distinct from the monthly rental charges due for the apartments.

5. That upon information and belief, the residents of the apartment complex have requested from Quail Pointe Apartments information regarding the billings

including (a) information as to how bills are calculated, (b) how and when meters are read, (c) when bills are due, and (d) other consumer interest related questions pertaining to billings for natural gas service and usage. Other than informing the residents that bills are based on "submetering," personnel of Quail Pointe Apartments have not provided any reasonable explanations or information regarding how the information on the bills is obtained or computed, how apartments are metered, how and when meters are read, how charges are calculated, or why there are varying time periods between bills being rendered and payment being due.

6. That because Quail Pointe Apartments refused to provide explanations to the residents' questions regarding the bills for natural gas service, some residents of Quail Pointe Apartments contacted the ORS.

7. That upon information and belief, Quail Pointe Apartments is a retail customer of Piedmont Natural Gas Company, and Quail Pointe Apartments does not hold certification as a public utility from the Commission.

8. That in February 2007, counsel for ORS wrote a letter to Quail Pointe Apartments seeking information about the provision and furnishing of natural gas to the residents of Quail Pointe Apartments and the charging for that natural gas service. Citing the definition of "public utility" contained in S.C. Code Ann.58-5-10(4) (Supp. 2006), counsel for ORS opined that landlords or property owners that submeter and specifically charge tenants for natural gas service come under the definition of "public utility" and therefore must comply with applicable state statutes, including certification by the Commission. Further, ORS counsel advised Quail Pointe Apartments that it should not charge its tenants a specific charge for natural gas service and that Quail Pointe

Apartments should cease and desist from imposing specific charges for natural gas service to the tenants of the apartment complex. To date, Quail Pointe Apartments has failed or refused to respond to ORS' letter, and upon information and belief, Quail Pointe Apartments continues to render bills and charge the tenants of the apartment complex for natural gas service and usage.

9. That S.C. Code Ann. § 58-5-10(4)(Supp. 2006) defines a "public utility" as including

every corporation and person delivering natural gas distributed or transported by pipe, and every corporation and person furnishing or supplying in any manner heat (other than by means of electricity), water, sewerage collection, sewerage disposal, and street railway service, or any of them, to the public, or any portion thereof, for compensation; provided, however, that a corporation or person furnishing, supplying, marketing, and/or selling natural gas at the retail level for use as a fuel in self-propelled vehicles shall not be considered a public utility by virtue of the furnishing, supplying, marketing, and/or selling of such natural gas.

10. That S.C. Code Ann. § 58-5-10(5)(Supp. 2006) defines "public or portion thereof" as

the public generally, or any limited portion of the public, including a person, private corporation, municipality, or any political subdivision of the State for which the service is performed or to which the commodity is delivered and whenever such corporation or person performs a service or delivers a commodity to the public, or any portion thereof, for which compensation is required such corporation or person is hereby declared to be a public utility subject to the jurisdiction and regulation of the Public Service Commission, the Office of Regulatory Staff, and Articles 1, 3, and 5 of this chapter to the extent of its activities within the State.

11. That under S.C. Code Ann. § 58-5-10(4)(Supp. 2006) and S.C. Code Ann. § 58-5-10(5)(Supp. 2006), a person or corporation delivering natural gas for compensation to the public or portion of the public is a “public utility” and subject to the jurisdiction of the Commission and the ORS. These code sections provide no statutory exemption or exception for “submeterers” or for landlords or property owners levying charges, separate and apart from monthly rental charges, for natural gas service and usage.

12. That the actions of Quail Pointe Apartments in delivering natural gas to the public or a portion thereof, i.e. the tenants and residents of Quail Pointe Apartments, and in imposing specific charges for that natural gas service and usage, which charges are separate and distinct from monthly charges for rent, render Quail Pointe Apartments a “public utility” under the laws of this State

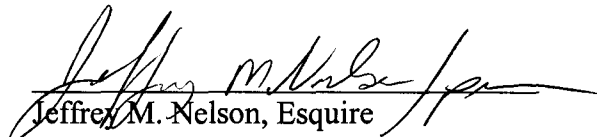
WHEREFORE, the ORS submits that the actions of Quail Pointe Apartments are contrary to and in violation of the laws of this State, and the ORS respectfully requests that this honorable Commission:

1. Open a proceeding on this Petition;
2. Serve this Petition on Quail Pointe Apartments in accordance with the Commission’s Rules of Practice and Procedure Rule 103-830(B)(1)¹ and require Quail Pointe Apartments to respond in writing to this Petition as required in Rule 103-830(B)(2);

¹ The Commission’s Rules of Practice and Procedure are generally found at 26 S.C. Code Ann. Regs. 103-800, *et seq.* On April 27, 2007, the Commission’s revised Rules of Practice and Procedure were published in the South Carolina State Register and are now effective. References to the Commission’s Rules and Regulations refer to the revised rules published April 27, 2007, in the South Carolina State Register. See, South Carolina State Register, Vol. 31, Issue No. 4, published April 27, 2007.

3. Issue an Order requiring Quail Pointe Apartments to appear before the Commission and show cause why Quail Pointe Apartments should not be regulated as a public utility under the jurisdiction of the Commission and ORS; and
4. Grant such other and further relief as is just and proper.

Respectfully submitted.


Jeffrey M. Nelson, Esquire
OFFICE OF REGULATORY STAFF
Post Office Box 11263
Columbia, South Carolina 29211
Phone: (803) 737-0823
Fax: (803) 737-0895
jnelson@regstaff.sc.gov

June 8, 2007
Columbia, SC

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2007- _____

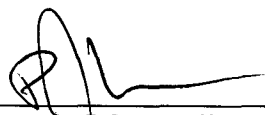
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Requesting a Rule to Show Cause to Quail)	
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Spartanburg, South Carolina 29301 as to)	
Why Quail Pointe Apartments Should Not)	
Be Regulated as a Public Utility)	

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **PETITION OF THE OFFICE OF REGULATORY STAFF FOR A RULE TO SHOW CAUSE** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Manager
Quail Pointe Apartments
460 E. Blackstock Rd.
Spartanburg, SC 29301

Ms. Angela Feregrino
Quail Pointe Apartments
460 E. Blackstock Rd.
Spartanburg, SC 29301

Stephan C. Ouverson
Registered Agent, Quail Point Apt
11883 Plaza Dr.
Murrells Inlet, SC 29576



Pamela J. McMullan

June 8, 2007
Columbia, South Carolina